

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division  
Bureau of Medicaid Policy, Operations, and Actuarial Services

**Project Number:** 2009-PACE      **Comments Due:** April 21, 2020      **Proposed Effective Date:** July 1, 2020

**Mail Comments to:** Jacob Robinson  
Bureau of Medicaid Long-Term Care Services and Support  
Medical Services Administration  
P.O. Box 30479  
Lansing, Michigan 48909-7979

**Telephone Number:** 517-241-4036      **Fax Number:** 517-241-8117  
**E-mail Address:** [robinsonj34@michigan.gov](mailto:robinsonj34@michigan.gov)

**Policy Subject:** Financial Eligibility for the Program of All-Inclusive Care for the Elderly (PACE)

**Affected Programs:** Medicaid

**Distribution:** Bridges Eligibility Manual (BEM) Holders, PACE Providers

**Policy Summary:** This policy applies the Medicaid divestment penalty to PACE.

**Purpose:** To avoid individuals incorrectly transferring their assets for less than fair market value to qualify for Medicaid to enroll in PACE.

# Proposed Policy Draft

Michigan Department of Health and Human Services  
Medical Services Administration

**Distribution:** Bridges Eligibility Manual (BEM) Holders, Program of All-Inclusive Care for the Elderly (PACE) Providers

**Issued:** June 1, 2020 (Proposed)

**Subject:** Financial Eligibility for PACE

**Effective:** July 1, 2020 (Proposed)

**Programs Affected:** Medicaid

Effective July 1, 2020, PACE will apply the Medicaid divestment policy to applicants and participants in PACE as permitted under Section 1917(c)(1)(A) of the Social Security Act. Medicaid divestment policy is found in BEM 405, MA Divestment.

As defined in BEM 405, divestment is the transfer of resources within a specific timeframe (called the lookback period) and the transfer is for less than fair market value. Under Medicaid divestment policy, the Medicaid program will not pay for long-term care (LTC) services, home and community-based services, home help, or home health during a divestment penalty period.